

Sirius/XM Merger Comments

Why I believe the merger makes sense from the consumer's standpoint.

Since the consumer's standpoint really dwells with the premise of why Federal Communication Commissions was created, I will start here. In the concept phase of satellite radio, the FCC did the correct thing, by creating 2 companies to instead of one. At this stage of infancy of satellite radio, the digital mobile media (ipods, mp3 players, etc) revolution was also in it's infancy stage, and regular radio being the dominate form of mobile media. As we fast forward to today, we can look back on how these three forms of mobile media have evolved, regular radio has continued to adapt the market and provide its content free to the consumer. The mp3 player has seen phenomenal growth, for companies like Apple and Sandisk, but the original providers (like Rio and Creative Labs) have either gone out of business, or only have a fraction of the market that they used to. Now we look at the satellite radio, how it has grown, and created a demand for a pay service for it's content. One can argue that all three of these media devices are not competitors, but from a consumers stand point, they all are. Each one of them is a separate form of media to the consumer, which each form of media competes with the other for the consumers attention, whether it's music, news, sports, etc. Looking at what cell phone providers have available to the consumer these days, it is yet another form of distribution of media for the consumer's vying for their attention.

My point is that XM & Sirius don't just compete against each other as a form of media distribution; they compete with regular radio, mp3 players, and even cell phones for the consumer's attention. Every one of these forms of media distribution offers some sort of unique flavor, but that's what makes them competitors of the media distribution as a whole, not just satellite radio, regular radio, and mp3 players. I see them all as some form of alternative of each other, and they all compete in the same market.

What I don't want to happen, as a consumer, is for the satellite radio companies to go bankrupt and disappear trying to constantly develop new products and content to out do the other. This leaves the consumer with one less option. If you want to protect the consumer, allow the merger to happen to further strengthen the satellite radio industry, and regulate the fees to protect the consumer, they still and always will have to compete with regular radio, which is free.

Thank you,
Don Riepenhoff